

**PSC APPROVES AGREEMENT REACHED IN PSC STAFF COMPLAINT AGAINST  
LACLEDE GAS COMPANY IN BARNHART INCIDENT**

Jefferson City (December 22, 2000)---The Missouri Public Service Commission has approved an agreement reached between the PSC Staff (Staff), the Office of the Public Counsel and Laclede Gas Company (Laclede) which resolves a complaint filed by the Staff against Laclede in connection with a natural gas incident which occurred at 1904 Birchwood Drive in Barnhart, Missouri on February 7, 2000. According to the Staff report, the cause of the incident was third-party damage to a natural gas main.

The single-family residence located at 1904 Birchwood Drive and its contents were destroyed as a result of the explosion and fire. Numerous other structures in the 1900 block of Birchwood Drive and in the 1800 block of Meadowbrook Court were damaged as a result of the explosion. A Laclede Gas Company employee at the scene at the time of the explosion was critically injured, and later died from the injuries received.

The probable cause of the incident was the escape of natural gas from the 4-inch diameter polyethylene (PE) natural gas main located in front of the residence at 1904 Birchwood Drive. A hole cut into the natural gas main was the direct result of third party damage on February 7, 2000. According to the PSC Staff report, natural gas escaped from the hole in the 4-inch diameter PE main and migrated into 1904 Birchwood Drive. The migrating natural gas then accumulated within the structure and was ignited by an undetermined source.

The PSC Staff Incident Report stated: "The Staff concluded, based on its investigation, that the probable cause of the third-party damage was the failure of A-B Contracting to vigilantly monitor and plot the drill bit progress and location in relation to the 4-inch diameter PE natural gas main, and that the incident could have been prevented if these precautions would have been taken."

The PSC Staff complaint alleged that Laclede Gas Company violated Commission rules by not conducting emergency procedures in a timely manner that would have provided for public safety and protect property after third-party damage to the main.

Under the terms of the agreement, Laclede Gas Company will: (1) revise its procedures for

(More)

responding to emergencies; (2) enhance its coordination of mobile communications equipment; (3) incorporate into its employee training program, procedures for preventing or reducing third-party damage; and (4) work with other parties to continue to promote efforts at preventing third-party damage.

Under revising its procedures for responding to emergencies:

\* Laclede Gas Company will increase its reliance on local fire and police department personnel for purposes of assisting in the prompt termination by other utilities of ignition sources within such structures;

\* Establish, as permitted by local police and fire department personnel, safety areas designed to keep customers, employees and the general public at a safe distance from such structures;

\* The authority of, and need for, field personnel to consider, and, as appropriate, promptly take other corrective actions, including the closing of valves, heavy equipment-assisted excavations and full venting and clamping of ruptured facilities, in the event initial response efforts are unsuccessful and such actions appear advisable given the conditions existing at the site at that time.

---0---

Case Nos. GS-2000-525 & GC-2001-19